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**FISCAL IMPACT STATEMENT**

**LS 7948**

**BILL NUMBER:** HB 1008

**NOTE PREPARED:** Apr 19, 2005

**BILL AMENDED:** Mar 29, 2005

**SUBJECT:** Department of Agriculture; Office of Rural Affairs.

**FIRST AUTHOR:** Rep. Gutwein

**FIRST SPONSOR:** Sen. Jackman

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill provides that the Lieutenant Governor is the Secretary of Agriculture and Rural Development. The bill establishes the Office of Rural Affairs, and it establishes the Department of Agriculture. The bill transfers the functions of various state agencies relating to agriculture to the Department of Agriculture.

The bill also moves the Soil and Conservation Division from the Department of Natural Resources to the Department of Agriculture. It changes a reference to the Community Focus Fund and the Community Focus Fund Planning Grant to the Community Development Block Grant Program. The bill makes changes to conform to the passage of HEA 1003.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** *Summary* - The establishment of a state Department of Agriculture and the statutory transfer of various functions and responsibilities to the Department will not necessarily represent a fiscal impact to the state. Any costs that might be incurred from a physical relocation of offices and any expenditures that could be reduced because of operational efficiencies will depend upon administrative actions.

*Background* - Under current statute, the Lieutenant Governor serves as the Commissioner of Agriculture, with the Division of Agriculture administered as part of the Department of Commerce.

The bill specifies that the Lieutenant Governor will be the Secretary of Agriculture and Rural Development. The bill establishes a state Department of Agriculture and a separate Office of Rural Affairs. The Department

will be headed by a director appointed by the Governor, and responsible to the Secretary. The Office will be headed by a director appointed and responsible to the Secretary.

All powers and duties of the current Assistant Commissioner transfer to the Director. All functions and programs in the Department of Commerce (1) related to economic development of agriculture; or (2) that administer an agricultural statute will transfer to the new Department of Agriculture. All powers and duties of the Department of Commerce for administration of rural development statutes transfer to the Office of Rural Affairs.

Additionally, the following specifically enumerated entities will transfer to the new Department:

(A) Center for Value-Added Research.

(B) Indiana Organic Peer Review Panel.

(C) Indiana Grain Buyers and Warehouse Licensing Agency.

(D) Indiana Grain Indemnity Corporation.

(E) State Fair Board.

(F) Indiana Land Resources Council.

(G) Indiana Commission for Agriculture and Rural Development. (Commission is repealed in the bill).

(The entities above are currently supported and administered under the existing Division of Agriculture within the Department of Commerce.)

(H) Indiana Corn Marketing Council.

(I) Indiana Dairy Industry Development Board.

(These entities are public bodies corporate and politic, the director of which is the Commissioner of Agriculture.)

(J) The Division of Soil and Conservation

(This entity is presently in the Department of Natural Resources.)

(K) Commodity market development councils.

And the following specifically enumerated parts of the Department of Commerce will transfer to the new Office of Rural Affairs:

(A) Indiana Rural Development Council.

(B) Rural Development Program and Fund.

(C) Rural Development Administration Fund.

(D) Indiana Main Street Program.

(E) Community Focus Fund and Community Focus Fund Planning Grant.

(F) High Speed Communications Director.

#### **Explanation of State Revenues:**

#### **Explanation of Local Expenditures:**

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Commerce; Division of Agriculture; Department of Natural Resources.

**Local Agencies Affected:**

**Information Sources:**

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